

HOBBS OCD  
JAN 10 2019  
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FORM APPROVED  
OMB No. 1004-0137  
Expires: January 31, 2018

F/P

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
BUREAU OF LAND MANAGEMENT

**APPLICATION FOR PERMIT TO DRILL OR REENTER**

1a. Type of work: <input checked="" type="checkbox"/> DRILL <input type="checkbox"/> REENTER 1b. Type of Well: <input type="checkbox"/> Oil Well <input type="checkbox"/> Gas Well <input checked="" type="checkbox"/> Other <b>INJ-ER</b> 1c. Type of Completion: <input type="checkbox"/> Hydraulic Fracturing <input checked="" type="checkbox"/> Single Zone <input type="checkbox"/> Multiple Zone	5. Lease Serial No. <b>NMNM0007966</b> 6. If Indian, Allottee or Tribe Name 7. If Unit or CA Agreement, Name and No. 8. Lease Name and Well No. <b>WEST EUMONT UNIT</b> <b>526</b> <b>(320052)</b>
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2. Name of Operator <b>FORTY ACRES ENERGY LLC</b> <b>(371416)</b>	3b. Phone No. (include area code) <b>(832)706-0051</b>	9. API Well No. <b>70-025-46483</b> <b>(22800)</b> 10. Field and Pool, or Exploratory <b>EUMONT / YATES-7RVRS-QUEEN (OIL)</b>
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4. Location of Well (Report location clearly and in accordance with any State requirements. *) At surface <b>SWNW / 2530 FNL / 1290 FWL / LAT 32.529934 / LONG -103.329431</b> At proposed prod. zone <b>SWNW / 2530 FNL / 1290 FWL / LAT 32.529934 / LONG -103.329431</b>	11. Sec., T. R. M. or Blk. and Survey or Area <b>SEC 35 / T20S / R36E / NMP</b>
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14. Distance in miles and direction from nearest town or post office* <b>7 miles</b>	12. County or Parish <b>LEA</b>	13. State <b>NM</b>
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15. Distance from proposed* location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) <b>110 feet</b>	16. No of acres in lease <b>160</b>	17. Spacing Unit dedicated to this well <b>0</b>
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18. Distance from proposed location* to nearest well, drilling, completed, applied for, on this lease, ft. <b>882 feet</b>	19. Proposed Depth <b>4500 feet / 4500 feet</b>	20. BLM/BIA Bond No. in file <b>FED: NMB001380</b>
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21. Elevations (Show whether DF, KDB, RT, GL, etc.) <b>3563 feet</b>	22. Approximate date work will start* <b>07/01/2018</b>	23. Estimated duration <b>30 days</b>
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24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, and the Hydraulic Fracturing rule per 43 CFR 3162.3-3 (as applicable)

- |   |   |
|---|---|
| 1. Well plat certified by a registered surveyor.<br>2. A Drilling Plan.<br>3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO must be filed with the appropriate Forest Service Office). | 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).<br>5. Operator certification.<br>6. Such other site specific information and/or plans as may be requested by the BLM. |
|---|---|

25. Signature <b>(Electronic Submission)</b>	Name (Printed/Typed) <b>Brian Wood / Ph: (505)466-8120</b>	Date <b>05/18/2018</b>
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Title <b>President</b>	Name (Printed/Typed) <b>Cody Layton / Ph: (575)234-5959</b>	Date <b>12/07/2018</b>
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Approved by (Signature) <b>(Electronic Submission)</b>	Name (Printed/Typed) <b>Cody Layton / Ph: (575)234-5959</b>	Date <b>12/07/2018</b>
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Title <b>Assistant Field Manager Lands &amp; Minerals</b>	Office <b>CARLSBAD</b>
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Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CANNOT INFECT PRIOR TO CIOB APPROVAL  
REQUIRES MIT

APPROVED WITH CONDITIONS

Approval Date: 12/07/2018

KJ  
01/10/19

## INSTRUCTIONS

**GENERAL:** This form is designed for submitting proposals to perform certain well operations, as indicated on Federal and Indian lands and leases for action by appropriate Federal agencies, pursuant to applicable Federal laws and regulations. Any necessary special instructions concerning the use of this form and the number of copies to be submitted, particularly with regard to local, area, or regional procedures and practices, either are shown below or will be issued by, or may be obtained from local Federal offices.

**ITEM 1:** If the proposal is to redrill to the same reservoir at a different subsurface location or to a new reservoir, use this form with appropriate notations. Consult applicable Federal regulations concerning subsequent work proposals or reports on the well.

**ITEM 4:** Locations on Federal or Indian land should be described in accordance with Federal requirements. Consult local Federal offices for specific instructions.

**ITEM 14:** Needed only when location of well cannot readily be found by road from the land or lease description. A plat, or plats, separate or on the reverse side, showing the roads to, and the surveyed location of, the well, and any other required information, should be furnished when required by Federal agency offices.

**ITEMS 15 AND 18:** If well is to be, or has been directionally drilled, give distances for subsurface location of hole in any present or objective productive zone.

**ITEM 22:** Consult applicable Federal regulations, or appropriate officials, concerning approval of the proposal before operations are started.

**ITEM 24:** If the proposal will involve hydraulic fracturing operations, you must comply with 43 CFR 3162.3-3, including providing information about the protection of usable water. Operators should provide the best available information about all formations containing water and their depths. This information could include data and interpretation of resistivity logs run on nearby wells. Information may also be obtained from state or tribal regulatory agencies and from local BLM offices.

## NOTICES

The Privacy Act of 1974 and regulation in 43 CFR 2.48( d) provide that you be furnished the following information in connection with information required by this application.

**AUTHORITY:** 30 U.S.C. 181 et seq., 25 U.S.C. 396; 43 CFR 3160

**PRINCIPAL PURPOSES:** The information will be used to: (1) process and evaluate your application for a permit to drill a new oil, gas, or service well or to reenter a plugged and abandoned well; and (2) document, for administrative use, information for the management, disposal and use of National Resource Lands and resources including (a) analyzing your proposal to discover and extract the Federal or Indian resources encountered; (b) reviewing procedures and equipment and the projected impact on the land involved; and (c) evaluating the effects of the proposed operation on the surface and subsurface water and other environmental impacts.

**ROUTINE USE:** Information from the record and/or the record will be transferred to appropriate Federal, State, and local or foreign agencies, when relevant to civil, criminal or regulatory investigations or prosecution, in connection with congressional inquiries and for regulatory responsibilities.

**EFFECT OF NOT PROVIDING INFORMATION:** Filing of this application and disclosure of the information is mandatory only if you elect to initiate a drilling or reentry operation on an oil and gas lease.

The Paperwork Reduction Act of 1995 requires us to inform you that:

The BLM collects this information to allow evaluation of the technical, safety, and environmental factors involved with drilling for oil and/or gas on Federal and Indian oil and gas leases. This information will be used to analyze and approve applications. Response to this request is mandatory only if the operator elects to initiate drilling or reentry operations on an oil and gas lease. The BLM would like you to know that you do not have to respond to this or any other Federal agency-sponsored information collection unless it displays a currently valid OMB control number.

**BURDEN HOURS STATEMENT:** Public reporting burden for this form is estimated to average 8 hours per response, including the time for reviewing instructions, gathering and maintaining data, and completing and reviewing the form. Direct comments regarding the burden estimate or any other aspect of this form to U.S. Department of the Interior, Bureau of Land Management (1004-0137), Bureau Information Connection Clearance Officer (WO-630), 1849 C Street, N.W., Mail Stop 401 LS, Washington, D.C. 20240.

## **Additional Operator Remarks**

### **Location of Well**

1. SHL: SWNW / 2530 FNL / 1290 FWL / TWSP: 20S / RANGE: 36E / SECTION: 35 / LAT: 32.529934 / LONG: -103.329431 ( TVD: 0 feet, MD: 0 feet )  
BHL: SWNW / 2530 FNL / 1290 FWL / TWSP: 20S / RANGE: 36E / SECTION: 35 / LAT: 32.529934 / LONG: -103.329431 ( TVD: 4500 feet, MD: 4500 feet )

### **BLM Point of Contact**

Name: Katrina Ponder

Title: Geologist

Phone: 5752345969

Email: kponder@blm.gov

## **Review and Appeal Rights**

A person contesting a decision shall request a State Director review. This request must be filed within 20 working days of receipt of the Notice with the appropriate State Director (see 43 CFR 3165.3). The State Director review decision may be appealed to the Interior Board of Land Appeals, 801 North Quincy Street, Suite 300, Arlington, VA 22203 (see 43 CFR 3165.4). Contact the above listed Bureau of Land Management office for further information.

**Approval Date: 12/07/2018**

(Form 3160-3, page 4)



U.S. Department of the Interior  
BUREAU OF LAND MANAGEMENT

# Operator Certification Data Report

01/09/2019

## Operator Certification

*I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U.S.C. 1001 for the filing of false statements.*

**NAME:** Brian Wood

**Signed on:** 05/18/2018

**Title:** President

**Street Address:** 37 Verano Loop

**City:** Santa Fe

**State:** NM

**Zip:** 87508

**Phone:** (505)466-8120

**Email address:** afmss@permitswest.com

## Field Representative

**Representative Name:** Jessica LaMarro

**Street Address:** 11777-B Katy Freeway, Suite 305

**City:** Houston

**State:** TX

**Zip:** 77079

**Phone:** (832)706-0051

**Email address:**



APD ID: 10400030365

Submission Date: 05/18/2018

Highlighted data reflects the most recent changes

Operator Name: FORTY ACRES ENERGY LLC

Well Name: WEST EUMONT UNIT

Well Number: 526

[Show Final Text](#)

Well Type: INJECTION - ENHANCED RECOVERY

Well Work Type: Drill

### Section 1 - General

APD ID: 10400030365

Tie to previous NOS?

Submission Date: 05/18/2018

BLM Office: CARLSBAD

User: Brian Wood

Title: President

Federal/Indian APD: FED

Is the first lease penetrated for production Federal or Indian? FED

Lease number: NMNM0007966

Lease Acres: 160

Surface access agreement in place?

Allotted?

Reservation:

Agreement in place? NO

Federal or Indian agreement:

Agreement number:

Agreement name:

Keep application confidential? NO

Permitting Agent? YES

APD Operator: FORTY ACRES ENERGY LLC

Operator letter of designation:

### Operator Info

Operator Organization Name: FORTY ACRES ENERGY LLC

Operator Address: 11777B Katy Freeway, Suite 305

Zip: 77079

Operator PO Box:

Operator City: Houston

State: TX

Operator Phone: (832)706-0051

Operator Internet Address:

### Section 2 - Well Information

Well in Master Development Plan? NO

Master Development Plan name:

Well in Master SUPO? NO

Master SUPO name:

Well in Master Drilling Plan? NO

Master Drilling Plan name:

Well Name: WEST EUMONT UNIT

Well Number: 526

Well API Number:

Field/Pool or Exploratory? Field and Pool

Field Name: EUMONT

Pool Name: YATES-7RVRS-QUEEN (OIL)

Is the proposed well in an area containing other mineral resources? USEABLE WATER NATURAL GAS OIL



APD ID: 10400030365

Submission Date: 05/18/2018

Operator Name: FORTY ACRES ENERGY LLC

Well Name: WEST EUMONT UNIT

Well Number: 526

Well Type: INJECTION - ENHANCED RECOVERY

Well Work Type: Drill



Show Final Text

**Section 1 - Geologic Formations**

Formation ID	Formation Name	Elevation	True Vertical Depth	Measured Depth	Lithologies	Mineral Resources	Producing Formation
1	---	3563	0	0	OTHER : Quaternary caliche	USEABLE WATER	No
2	RUSTLER ANHYDRITE	2123	1440	1440		NONE	No
3	TANSILL	732	2831	2831	SANDSTONE	NONE	No
4	YATES	570	2993	2993	SANDSTONE	NATURAL GAS,OIL,OTHER : Saltwater	No
5	SEVEN RIVERS	205	3358	3358	DOLOMITE	NATURAL GAS,OIL,OTHER : Saltwater	No
6	QUEEN	-235	3798	3798	DOLOMITE	NATURAL GAS,OIL,OTHER : Saltwater	No
7	GRAYBURG	-610	4173	4173	DOLOMITE	NATURAL GAS,OIL,OTHER : Saltwater	Yes

**Section 2 - Blowout Prevention**

Pressure Rating (PSI): 2M

Rating Depth: 5000

**Equipment:** BOP equipment will consist of the following: - Double ram with blind ram and pipe ram - Drilling spool, or blowout preventer with 2 side outlets (choke side and kill side will be >2" diameter) - Kill line (>2" diameter) & kill line valve (>2" diameter) - >2" diameter choke line with >2" diameter valves - 2 chokes, at least one will be capable of remote operation - Pressure gauge on choke manifold - Upper Kelly cock valve with handle available - Safety valve and subs to fit all drill string connections in use - All BOPE connections subject to well pressure will be flanged, welded, or clamped - A fill-up line above the uppermost preventer

Requesting Variance? NO

Variance request:

**Testing Procedure:** A 2000 psi BOP stack and manifold system will be used. A typical 2000 psi system is attached. If the equipment changes, then a Sundry Notice will be filed. System will meet Onshore Orders 2 (BOP) and 6 (H2S) requirements. Blowout preventer equipment (BOP) will include a 2000 psi rated, "XLT" type, NOV double ram preventer that will be tested to a maximum pressure of 2000 psi. Unit will be hydraulically operated. Ram type preventer will be equipped with pipe rams on top and blind pipe rams on bottom. The 2M BOP will be installed on the 8.625" surface casing and used continuously until TD is reached. All casing strings will be tested per Onshore Order #2. This also includes a 30-day test, should the rig still be operating on the same well for 30 days. Pipe rams will be operated and checked each 24-hour period and each time the drill pipe is out of the hole. These function tests will be documented on the daily drilling logs.

Choke Diagram Attachment:

**Operator Name:** FORTY ACRES ENERGY LLC

**Well Name:** WEST EUMONT UNIT

**Well Number:** 526

WE\_526H\_BOP\_Choke\_20180517160407.pdf

**BOP Diagram Attachment:**

WE\_526H\_BOP\_Choke\_20180517160415.pdf

### Section 3 - Casing

Casing ID	String Type	Hole Size	Csg Size	Condition	Standard	Tapered String	Top Set MD	Bottom Set MD	Top Set TVD	Bottom Set TVD	Top Set MSL	Bottom Set MSL	Calculated casing length MD	Grade	Weight	Joint Type	Collapse SF	Burst SF	Joint SF Type	Joint SF	Body SF Type	Body SF
1	SURFACE	12.25	8.625	NEW	API	N	0	1650	0	1650	3563		1650	J-55	24	STC	1.91	4.11	DRY	6.26	DRY	6.26
2	PRODUCTION	7.865	5.5	NEW	API	N	0	4500	0	4500	3563		4500	J-55	15.5	LTC	1.73	2.06	DRY	3.11	DRY	3.11

#### Casing Attachments

**Casing ID:** 1      **String Type:** SURFACE

**Inspection Document:**

**Spec Document:**

**Tapered String Spec:**

**Casing Design Assumptions and Worksheet(s):**

WE\_526H\_Casing\_Design\_Assumptions\_20180517161132.pdf

Operator Name: FORTY ACRES ENERGY LLC

Well Name: WEST EUMONT UNIT

Well Number: 526

**Casing Attachments**

Casing ID: 2 String Type: PRODUCTION

Inspection Document:

Spec Document:

Tapered String Spec:

Casing Design Assumptions and Worksheet(s):

WE\_526H\_Casing\_Design\_Assumptions\_20180517161146.pdf

**Section 4 - Cement**

String Type	Lead/Tail	Stage Tool Depth	Top MD	Bottom MD	Quantity(sx)	Yield	Density	Cu Ft	Excess%	Cement type	Additives
SURFACE	Lead		0	1475	650	1.72	13.5	609	100	Class C	4% bentonite gel + 0.4% defoamer + 0.25 lb/sk cellophane flakes
SURFACE	Tail		1475	1650	200	1.34	14.8	72	100	Class C	1% CaCl2 + 0.25 lb/sk cellophane flakes
PRODUCTION	Lead		0	3000	235	3.22	11	520	20	50/50 poz C	5 bwow sodium chloride + 0.4% fluid loss additive + 3.5% accelerator/suspension aid + 0.4% de-foamer+ 3 lb/sk LCM
PRODUCTION	Tail		3000	4500	160	1.33	14.8	260	20	Class C	0.1% fluid loss additive + 0.2% dispersant + 3 lb/sk Kol Seal LCM

**Operator Name:** FORTY ACRES ENERGY LLC

**Well Name:** WEST EUMONT UNIT

**Well Number:** 526

### Section 5 - Circulating Medium

**Mud System Type:** Closed

**Will an air or gas system be Used?** NO

**Description of the equipment for the circulating system in accordance with Onshore Order #2:**

**Diagram of the equipment for the circulating system in accordance with Onshore Order #2:**

**Describe what will be on location to control well or mitigate other conditions:** Appropriate additives (bentonite, cedar bark) will be on site to manage any abnormal hole condition (lost circulation, pressure) that could be encountered while drilling this well. Circulation could be lost in the Grayburg.

**Describe the mud monitoring system utilized:** A PVT/Pason/visual mud monitoring system will be used.

### Circulating Medium Table

Top Depth	Bottom Depth	Mud Type	Min Weight (lbs/gal)	Max Weight (lbs/gal)	Density (lbs/cu ft)	Gel Strength (lbs/100 sqft)	PH	Viscosity (CP)	Salinity (ppm)	Filtration (cc)	Additional Characteristics
1700	4500	SALT SATURATED	9.7	10							
0	1700	SPUD MUD	9.4	9.9							

### Section 6 - Test, Logging, Coring

**List of production tests including testing procedures, equipment and safety measures:**

A Weatherford composite log, or its equivalent, will be run.

**List of open and cased hole logs run in the well:**

OTH

**Other log type(s):**

A Weatherford composite log, or its equivalent, will be run.

**Coring operation description for the well:**

No core or drill stem test is planned.

**Operator Name:** FORTY ACRES ENERGY LLC

**Well Name:** WEST EUMONT UNIT

**Well Number:** 526

### **Section 7 - Pressure**

**Anticipated Bottom Hole Pressure:** 1925

**Anticipated Surface Pressure:** 1925

**Anticipated Bottom Hole Temperature(F):** 100

**Anticipated abnormal pressures, temperatures, or potential geologic hazards?** NO

**Describe:**

**Contingency Plans geohazards description:**

**Contingency Plans geohazards attachment:**

**Hydrogen Sulfide drilling operations plan required?** YES

**Hydrogen sulfide drilling operations plan:**

WE\_526H\_H2S\_Plan\_20180517161724.pdf

### **Section 8 - Other Information**

**Proposed horizontal/directional/multi-lateral plan submission:**

**Other proposed operations facets description:**

**Other proposed operations facets attachment:**

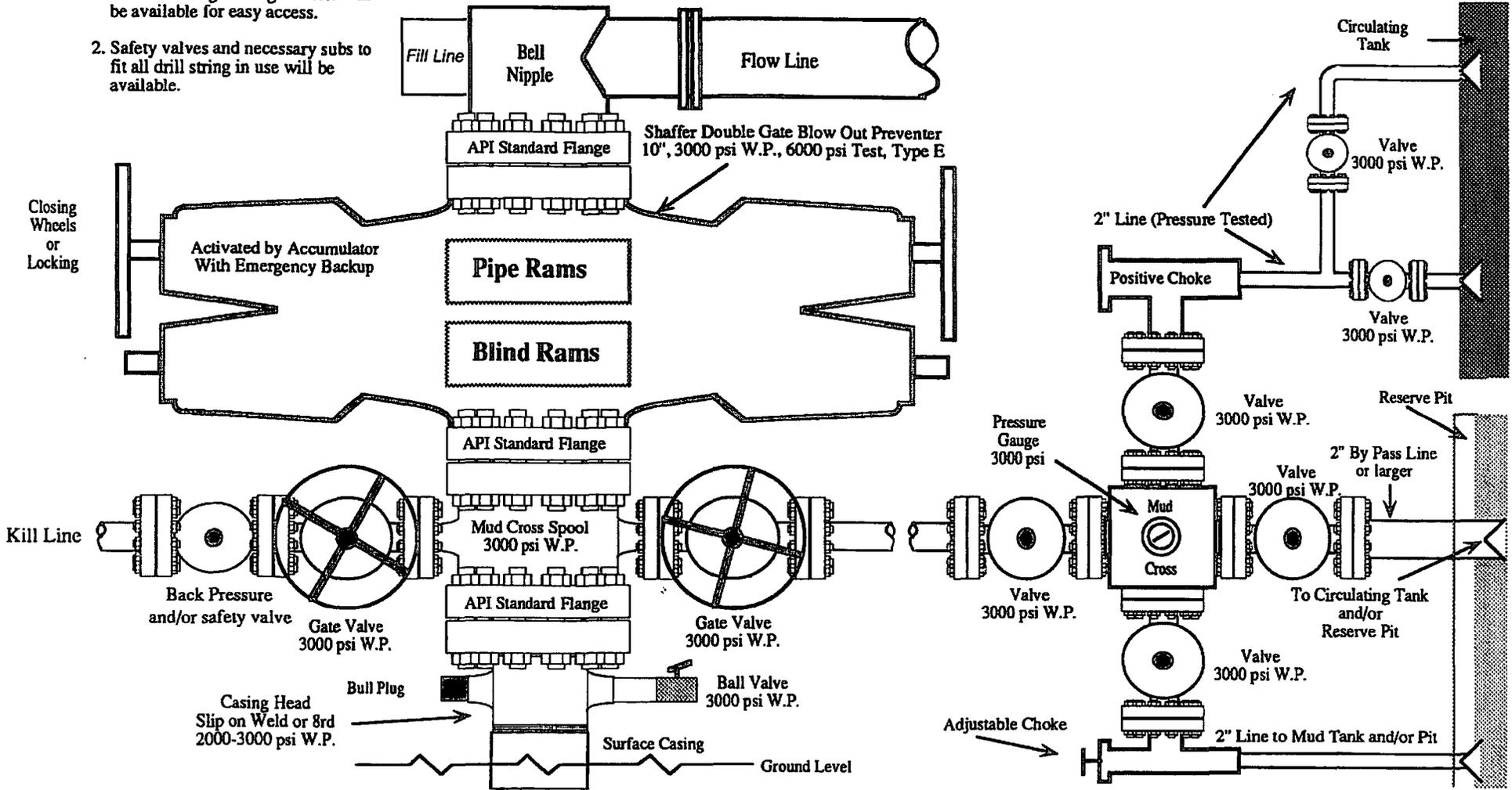
WE\_526H\_General\_Drill\_Plan\_20180517161749.pdf

**Other Variance attachment:**

# 2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

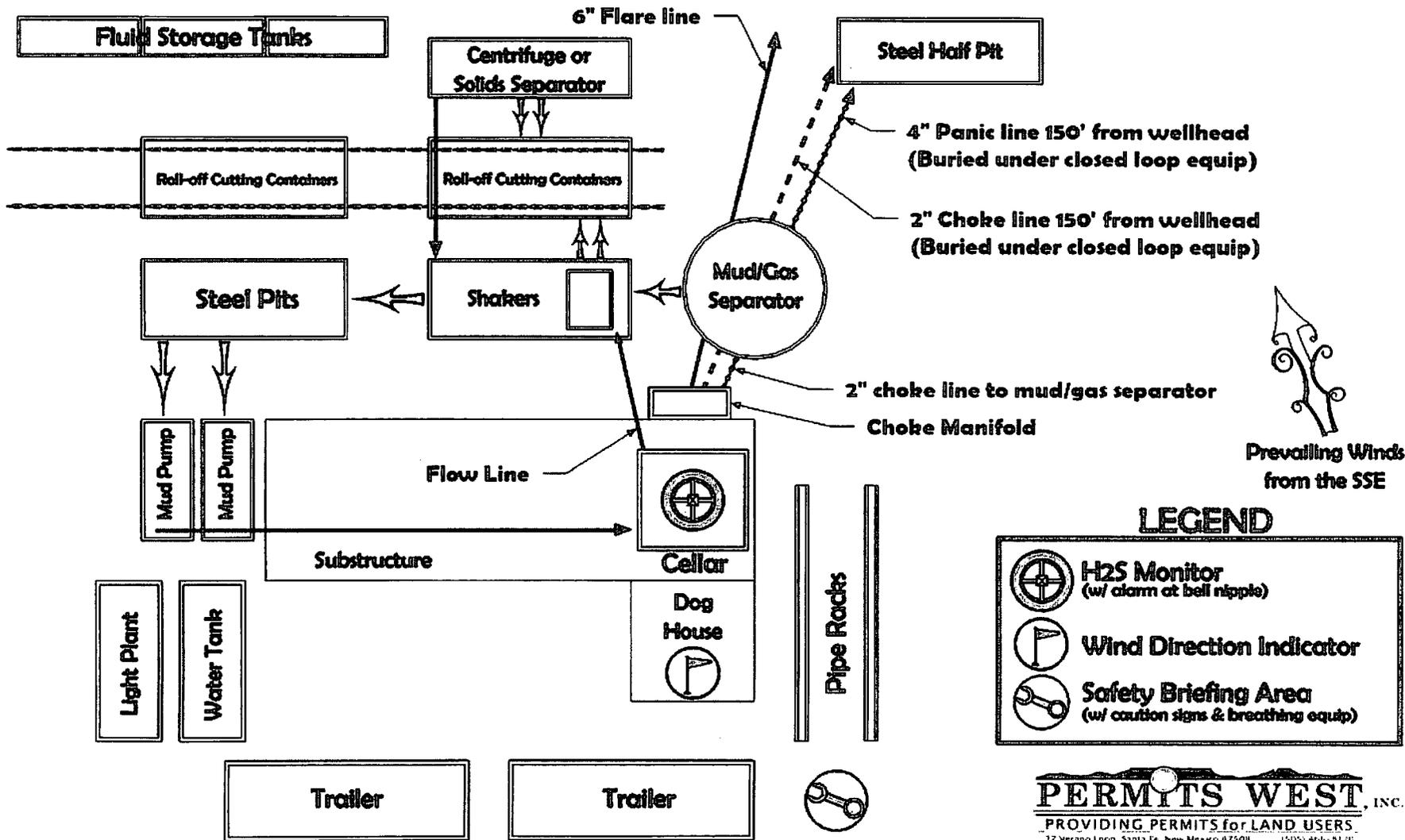
**PERMITS WEST, INC.**

PROVIDING PERMITS for LAND USERS

37Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

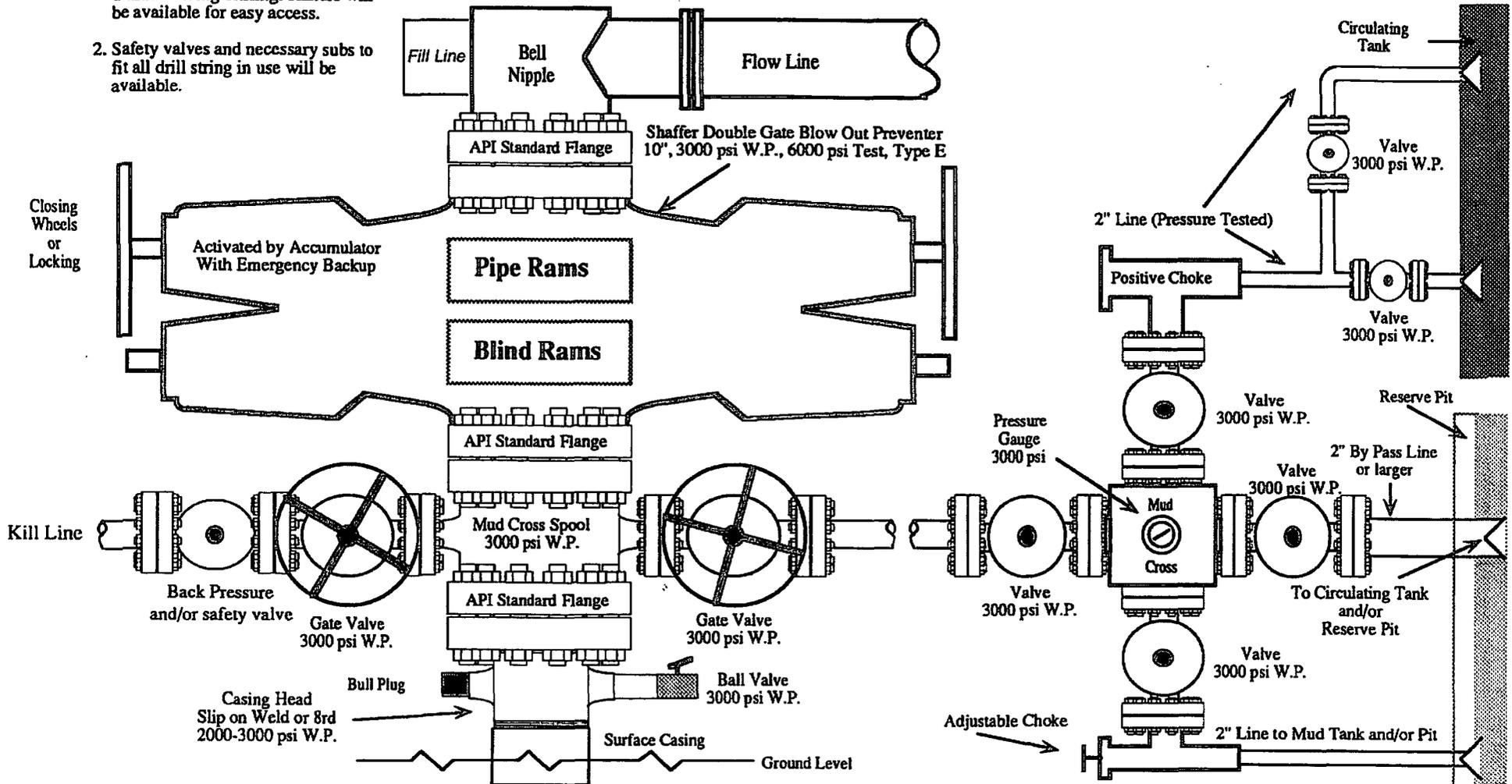
# Rig and Closed Loop System with H2S Safety Equipment Diagram



# 2,000 PSI BOP SYSTEM

Note: 1. An upper Kelly cock valve will be utilized during drilling. Handle will be available for easy access.

2. Safety valves and necessary subs to fit all drill string in use will be available.



Note: This equipment is designed to meet requirements for a 2-M rating standard per 43 CFR part 3160 (amended). Proper operation and testing of equipment will be carried out per standard. 2,000 psi equipment can be substituted in the drawing to meet minimum requirements per standard.

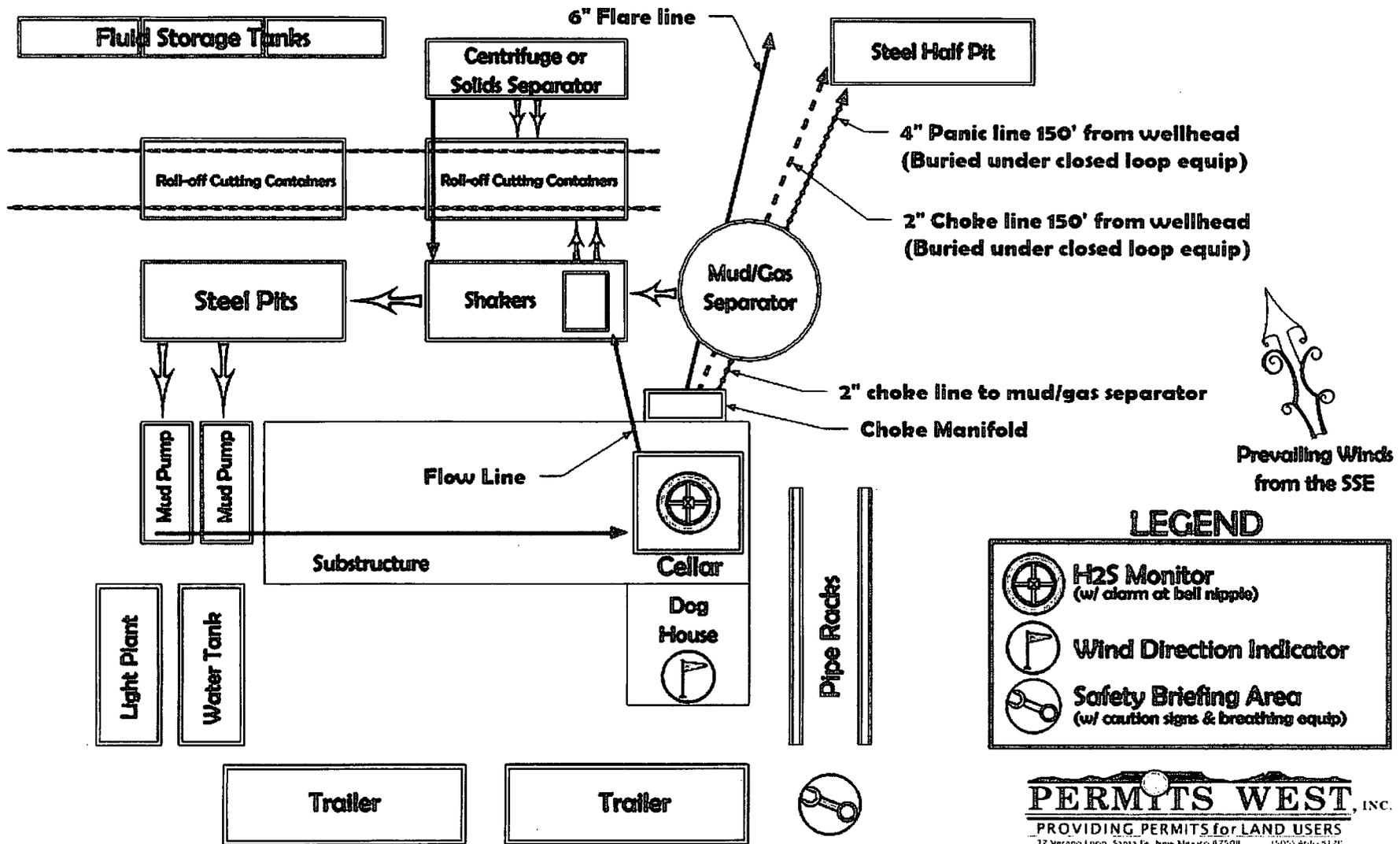
**PERMITS WEST, INC.**

PROVIDING PERMITS for LAND USERS

37Verano Loop, Santa Fe, New Mexico 87508

(505) 466-8120

# Rig and Closed Loop System with H2S Safety Equipment Diagram



	Hole OD	Casing OD	Casing ID	Weight	Grade	Connection	Burst	Collapse	Tensile	Length	String Weight	Mud Weight ppg	Mud Gradient psi/ft
Surface	12.250	8.625	8.097	24.0	J-55	STC	2,950	1,370	244,000	1,625	39,000	8.5	0.44
Production	7.875	5.500	4.950	15.5	J-55	LTC	4,810	4,040	217,000	4,500	69,750	10.0	0.52

**Casing Parameters**

**Tensile**

**SF<sub>t</sub> = Tensile / String Weight ; must be greater than 2.0**

	Casing OD	Tensile	String Weight	SF <sub>t</sub>
Surface	8.625	244,000	39,000.00	6.26
Production	5.500	217,000	69,750.00	3.11

**Collapse**

**SF<sub>c</sub> = Collapse / (mud gradient x TVD) ; must be greater than 1.18**

	Casing OD	Collapse	Mud Gradient x TVD	SF <sub>t</sub>
Surface	8.625	1,370	718.25	1.91
Production	5.500	4,040	2,340.00	1.73

**Burst**

**SF<sub>b</sub> = Burst / (mud gradient x TVD) ; must be greater than 1.18**

	Casing OD	Burst	Mud Gradient x TVD	SF <sub>t</sub>
Surface	8.625	2,950	718.25	4.11
Production	5.500	4,810	2,340.00	2.06

	Hole OD	Casing OD	Casing ID	Weight	Grade	Connection	Burst	Collapse	Tensile	Length	String Weight	Mud Weight ppg	Mud Gradient psi/ft
Surface	12.250	8.625	8.097	24.0	J-55	STC	2,950	1,370	244,000	1,625	39,000	8.5	0.44
Production	7.875	5.500	4.950	15.5	J-55	LTC	4,810	4,040	217,000	4,500	69,750	10.0	0.52

**Casing Parameters**

**Tensile**

$SF_t = \text{Tensile} / \text{String Weight} ; \text{ must be greater than } 2.0$

	Casing OD	Tensile	String Weight	SF_t
Surface	8.625	244,000	39,000.00	6.26
Production	5.500	217,000	69,750.00	3.11

**Collapse**

$SF_c = \text{Collapse} / (\text{mud gradient} \times \text{TVD}) ; \text{ must be greater than } 1.18$

	Casing OD	Collapse	Mud Gradient x TVD	SF_t
Surface	8.625	1,370	718.25	1.91
Production	5.500	4,040	2,340.00	1.73

**Burst**

$SF_b = \text{Burst} / (\text{mud gradient} \times \text{TVD}) ; \text{ must be greater than } 1.18$

	Casing OD	Burst	Mud Gradient x TVD	SF_t
Surface	8.625	2,950	718.25	4.11
Production	5.500	4,810	2,340.00	2.06

Forty Acres Energy, LLC  
West Eumont Unit 526  
2530' FNL & 1290' FWL  
Sec. 35, T. 20 S., R. 36 E.  
Lea County, NM

SURFACE PLAN PAGE 1

## Surface Use Plan

### 1. ROAD DIRECTIONS & DESCRIPTIONS (See MAPS 1-4)

From the Monument, NM Post Office...

Go West 1.9 miles on paved NM 322 / County Road 42

Then curve left and go South 5.4 miles on paved County Road 41

Then turn right and go West 1.95 miles on caliche CR 41 / Tuffy Cooper

Then turn left and go South 0.6 mile on a caliche unit road

Then turn left and go Northeast 0.5 mile on a caliche unit road.

Then turn right and go South 0.15 mile on the caliche Bay Federal 4 road

Then bear right go Southeast cross-country 787.7' to the proposed pad

Non-county roads will be maintained as needed to Gold Book standards. This includes pulling ditches, preserving the crown, and cleaning culverts. This will be done at least once a year, and more often as needed.

### 2. ROAD TO BE BUILT OR UPGRADED (See MAPS 2-4)

The 787.7' of new resource road will be crowned and ditched, have a 14' wide driving surface, and be surfaced with caliche. Maximum disturbed width = 30'. Maximum grade = 2%. Maximum cut or fill = 1'. No upgrade, culvert, cattle guard, or vehicle turn out is needed.

### 3. EXISTING WELLS (See MAP 5)

Existing oil, gas, water, injection, and P & A wells are within a mile. No disposal well is within a mile radius.

Forty Acres Energy, LLC  
West Eumont Unit 526  
2530' FNL & 1290' FWL  
Sec. 35, T. 20 S., R. 36 E.  
Lea County, NM

SURFACE PLAN PAGE 2

4. PROPOSED PRODUCTION FACILITIES (See MAPS 6-9)

An 819.5' long buried water pipeline (119.5' of 2" + 700' of 4") will be built north from Forty Acres WEU water injection plant. Plant is now under construction. No power line is needed. Only surface equipment on the pad will be the wellhead.

5. WATER SUPPLY (See MAP 10)

Water will be trucked from Monument Water Users Corp. existing water tank in NESW 29-19s-37e.

6. CONSTRUCTION MATERIALS & METHODS (See MAPS 11-12)

NM One Call (811) will be notified before construction starts. Top  $\approx$ 6" of soil and brush will be stockpiled north of the pad. V-door will face east. Closed loop drilling system will be used. Caliche will be hauled from an existing caliche pit on private (Cooper) land in N2SW4 26-20s-36e.

7. WASTE DISPOSAL

All trash will be placed in a portable trash cage. It will be hauled to the Lea County landfill. There will be no trash burning. Contents (drill cuttings, mud, salts, and other chemicals) of the mud tanks will be hauled to R360's state approved (NM-01-0006) disposal site at Halfway. Human waste will be disposed of in chemical toilets and hauled to the Hobbs wastewater treatment plant.

Forty Acres Energy, LLC  
West Eumont Unit 526  
2530' FNL & 1290' FWL  
Sec. 35, T. 20 S., R. 36 E.  
Lea County, NM

8. ANCILLARY FACILITIES

There will be no airstrip or camp. Camper trailers will be on location for the company man, tool pusher, and mud logger.

9. WELL SITE LAYOUT (See MAP 13)

Also see Rig Layout diagram for depictions of the well pad, trash cage, access onto the location, parking, living facilities, and rig orientation.

10. RECLAMATION (See MAPS 14-15)

Interim reclamation will be completed within 6 months of completing the well. Interim reclamation will consist of shrinking the pad  $\approx 36\%$  (0.51 acre) by removing caliche and reclaiming a 25' wide swath on all sides of the pad. This will leave 0.92 acre for the well head, anchors, and tractor-trailer turn around. Disturbed areas will be contoured to match pre-construction grades. Soil and brush will be evenly spread over disturbed areas and harrowed on the contour. Disturbed areas will be seeded in accordance with the surface owner's requirements.

Enough stockpiled topsoil will be retained to cover the remainder of the pad when the well is plugged. Once the well is plugged, then the rest of the pad and new road will be similarly reclaimed within 6 months of plugging. Noxious weeds will be controlled. Land use:

787.7' x 30' road = 0.54 acre  
819.5' x 30' water lines = 0.56 acre  
+ 250' x 250' pad = 1.43 acres  
2.53 acres short term  
- 0.56 acre reclamation on pipelines  
- 0.51 acre interim reclamation on pad  
1.46 acres long term (0.54 ac. road + 0.92 ac. pad)

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SURFACE PLAN PAGE 4

11. SURFACE OWNER

All construction will be on the Dale Cooper Family Trust land. Their address is PO Box 6, Monument, NM 88265. Phone is 575 390-7996. Forty Acres has a surface use agreement with the Trust.

12. OTHER INFORMATION

On site inspection was held with Jesse Bassett (BLM) on March 26, 2018. Lone Mountain inspected and filed archaeology reports NMCRIS-139931 (well and road) and NMCRIS 139916 (pipelines) in late February 2018.

Forty Acres Energy, LLC  
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SURFACE PLAN PAGE 5

CERTIFICATION

I hereby certify that I, or someone under my direct supervision, have inspected the drill site and access route proposed herein; that I am familiar with the conditions which currently exist; that I have full knowledge of state and Federal laws applicable to this operation; that the statements made in this APD package are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed in conformity with this APD package and the terms and conditions under which it is approved. I also certify that I, or the company I represent, am responsible for the operations conducted under this application. These statements are subject to the provisions of 18 U. S. C. 1001 for the filing of false statements. Executed this 17th day of May, 2018.



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Brian Wood, Consultant  
Permits West, Inc.  
37 Verano Loop, Santa Fe, NM 87508  
(505) 466-8120      FAX: (505) 466-9682

Cellular: (505) 699-2276

Field representative will be:

Jessica, Geologist  
or Garret Johnson, Engineer  
Forty Acres Energy, LLC  
11777-B Katy Freeway, Suite 305  
Houston TX 77079  
Phone: (832) 706-0051

May 17, 2018

To Who It May Concern:

All construction will be on fee land owned by the Dale Cooper Family Trust, PO Box 6, Monument NM 88265. Phone number is (575) 390-7996. Forty Acres has a surface use agreement with the Trust.

A handwritten signature in black ink, appearing to read "B Wood". The signature is written in a cursive, flowing style.

Brian Wood